



North Dakota Association of Rural Electric Cooperatives

Postal Regulatory Commission
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June 25, 2021

United States of America Postal Regulatory Commission
Chairman Michael M. Kubayanda; Vice Chairwoman Ashley E. Poling; Commissioners Mark Acton, Ann C. Fisher and Robert G. Taub
901 New York Avenue N.W., Suite 200
Washington, DC 20268-0001
Submitted via the Commission's online filing system

RE: Docket No. R2021-2

Chairman Kubayanda, Vice Chairwoman Poling and members of the Commission:

On behalf of North Dakota's electric cooperatives, please accept these comments in response to the U.S. Postal Regulatory Commission's notice and order on price adjustments and classification changes for market dominant products, Docket No. R2021-2.

The North Dakota Association of Rural Electric Cooperative (NDAREC) is the nonprofit trade association representing 16 local electric cooperatives and 5 generation-and-transmission cooperatives operating in North Dakota. These local electric cooperatives provide electricity to more than 250,000 consumer-members, or 1 in 3 North Dakotans, and power homes, farms, businesses and emergency services in primarily rural or remote areas, on 5 federally designated Native American reservations, and in urban areas.

North Dakota's electric cooperatives are owned by the people they serve and provide power to consumer-members in every county of the state. Thirty-six of the state's 53 counties, or 67%, are frontier counties, meaning they have 6 or less persons per square mile. Local electric cooperatives have made significant investments statewide to build and maintain a reliable, affordable electric system that serves *all* consumer-members. This means, for example, that Slope Electric Cooperative, which serves areas in southwest North Dakota, built and maintains more than 3,000 miles of distribution line to serve less than 2,000 consumer-members. That's over 1.6 miles of line per member.

Electric cooperatives operate at cost and without a profit incentive, and all of North Dakota's electric cooperatives are classified as small businesses. Not only are electric co-ops committed to delivering safe, reliable and affordable power, but they are committed to the communities they serve. North Dakota's electric cooperatives have created programs, like Operation Round Up, to provide financial assistance to local families and community organizations in need, and a cooperative development center, to offer technical assistance and low-interest loans to advance initiatives that tackle rural issues in health care, child care, food access, housing, emergency services and more.

Rural communities face many challenges. Please do not make the U.S. Postal Service one of them. NDAREC joins NRECA and the Alliance of Nonprofit Mailers to urge you to reconsider the planned rate increases for postal products and services.

As nonprofit, consumer-owned and consumer-governed organizations, North Dakota electric cooperatives utilize mail for many reasons, including sending essential member information and distributing its statewide cooperative magazine, *North Dakota Living*, to 103,000 homes, farms and businesses in North Dakota. *North Dakota Living* is the chief communications tool electric co-ops use to communicate with their members. The

magazine shares critical information with co-op members each month, including their cooperatives' financial condition; how they can participate in co-op elections and select members to represent them on co-op boards of directors; board meeting minutes; annual meeting attendance details; and education on safe electric use, energy-management programs and money-saving electric tips.

Since being established in 1957, *North Dakota Living* has been proudly distributed to its readers and co-op members utilizing the U.S. Postal Service. In Title 39 of U.S. Code, the U.S. Postal Service is charged with providing "a maximum degree of effective and regular postal services to rural areas." The proposed rate increases will not provide the degree of effectiveness to fulfill this postal mission in rural areas. Periodical rate increases as high as 8.8% and related increases would have a drastic impact on electric cooperatives' mission and their members, as co-ops will be forced to pass on the cost of postage rate increases to its consumer-members. Or, electric cooperatives may pursue digital communications options more aggressively, which would decrease postal service volume.

The planned increase in postal rates will not reform the U.S. Postal Service, but it will have a severe impact on NDAREC's members and come at a cost to rural communities. We understand the important role of the U.S. Postal Service in rural areas and want it to succeed, but we respectfully ask you to reconsider these increases.

Thank you for your consideration.

A handwritten signature in blue ink, appearing to read "Josh Kramer", is positioned above the printed name.

Josh Kramer
Executive Vice President & General Manager